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January 12, 2010

 Ms. Bimla Rhinehart
 Executive Director
 California Transportation Commission
 1120 N Street, MS 52
 Sacramento, CA 95814

**COMMENTS ON DRAFT GUIDELINES FOR HIGH-SPEED
PASSENGER TRAIN BOND PROGRAM (PROPOSITION 1A)**

Dear Ms. Rhinehart:

Thank you for the opportunity to comment on the December 17, 2009 draft guidelines for the Proposition 1A High-Speed Train Bond (HSPTB) program, and specifically the \$950 million authorized for connecting intercity and urban rail systems. Of this amount, the Los Angeles County Metropolitan Transportation Authority (MTA) is an eligible recipient of approximately \$117 million in funds for connecting urban transit. We also will be working closely with the Southern California Regional Rail Authority on their plans for \$123 million associated with their connecting commuter rail services. Please consider the following comments:

- Section 5. Usable Project/Segments. Applicants need the flexibility to use funds on design, Right-of-Way, etc. in addition to construction - the law does not limit the \$760 million to construction only for connecting urban transit. The guidelines should not go beyond the law in imposing such a limitation.
- Section 7. Programming and Full Funding. Applicants need the flexibility to use Right-of-Way or state funds, including Prop 1B funds, as local match. In the current tight funding environment, very few resources are available for matching grant funds; therefore, having flexibility with fund sources is even more important.
- Section 9. Allocation from the HSPTB Program. The draft guidelines indicate that applicants cannot be paid for expenditures made before program adoption and allocation. The law - 2704.095 (d) - says that the funds are to pay or reimburse the costs of projects. This may be a basis for a Letter of No Prejudice or Private Placement bond approach. If Proposition 1A bond sales are delayed, applicants could use one of these advancement tools to keep their projects moving forward.
- Section 13. Funding Share. Safety, rehabilitation, and maintenance projects should not be given lower priority than connectivity - the law - 2704.095 (d) - lists the eligible uses, and 2704.095 (e) specifically says applicants can spend the funds on any of the eligible uses.

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- Section 13. Funding Share. Eligible agencies should be allowed to loan Proposition 1A funds to each other, similar to the way intercity corridors can loan such funds to each other. This is another important advancement tool to allow ready-to-go projects to move forward.
- General comment. The California High Speed Rail Authority (CHSRA) should not be allowed to review or choose the Urban and Commuter Rail projects from the \$760 million. The authorizing legislation gives CHSRA a consultation role in developing the guidelines, not in approving projects.
- General comment. We understand that CTC staff intends to add timely use of funds provisions to the guidelines. The timely use clock should start when the bonds have been sold and the funds are available for drawdown rather than at project approval. If there is a long delay in bond sales, or in making the funds available for draw-down, the three-year clock may be over before funds are available.

Thank you again for the opportunity to comment on these guidelines. This program is very important to our region. Should you have any questions, please contact Patricia Chen, Project Manager for Regional Programming at (213) 922-3041 or Alex Clifford, Executive Officer for High Speed Rail at (213) 922-7491.

Sincerely,



FRANK FLORES
Executive Officer
Regional Capital Development

cc: Teresa Favila, CTC